Defense Contract Management Command

Briefing to Executive Council
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Small Dollar Contracts Study

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Supplier Excellence

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Purpose

Ensure Administration Performed is Needed

Ensure Buying Activities

Use Our Services Wisely

Recommend More Efficient

Business Practices Within DoD

CAOs/Supply Centers Visited

DCMCs -

Detroit

Dayton

Philadelphia

Dallas

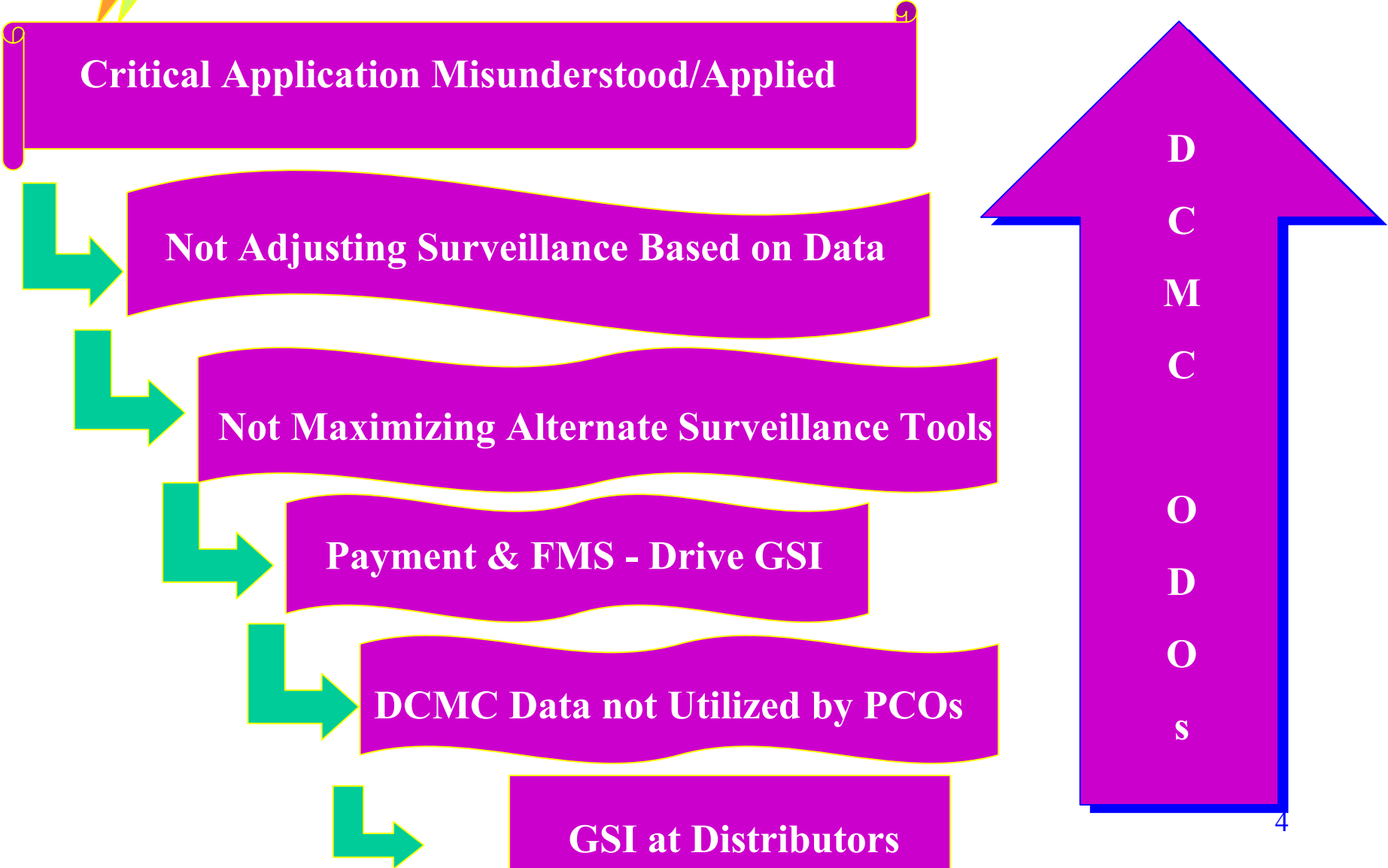Bell Helicopter
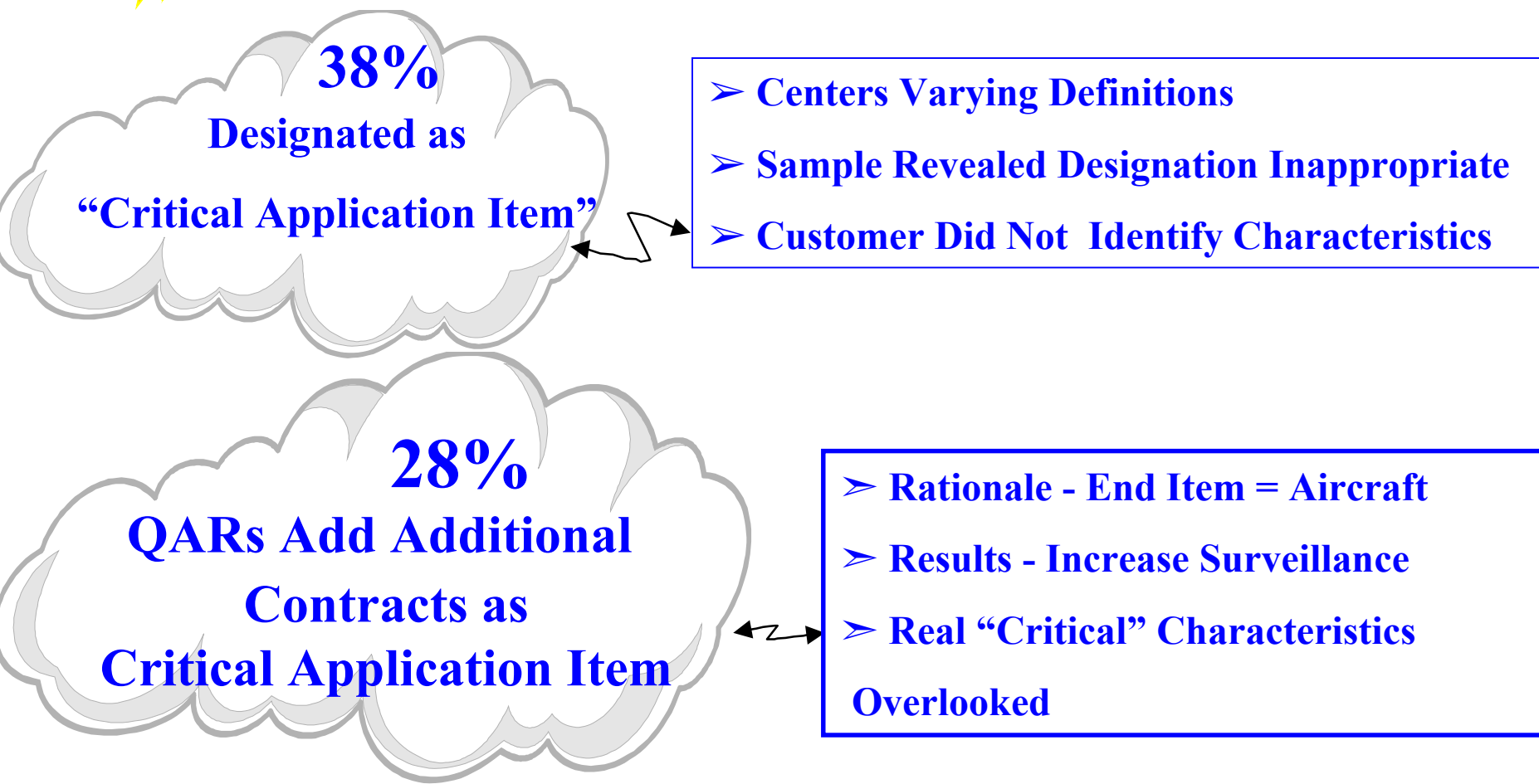
Supply Centers

DSCP

DISC

DSCR

DSCC

483 Contracts Reviewed

3

What We Found

Critical Application Misunderstood/Applied

Not Adjusting Surveillance Based on Data

Not Maximizing Alternate Surveillance Tools

Payment & FMS - Drive GSI

DCMC Data not Utilized by PCOs

GSI at Distributors

D C M C O D O s

4

What is Critical Application?

38%

Designated as

"Critical Application Item"

- ➢ **Centers Varying Definitions**
- ➢ **Sample Revealed Designation Inappropriate**
- ➢ **Customer Did Not Identify Characteristics**

28%

QARs Add Additional Contracts as Critical Application Item

- ➢ **Rationale - End Item = Aircraft**
- ➢ **Results - Increase Surveillance**
- ➢ **Real "Critical" Characteristics Overlooked**

Work Issue with Customers & Update Surveillance Guidebook

Adjusting Risk Classification/Surveillance

56% Key Process - Moderate Reason - Insufficient Data?

77% of Contractors Rated Satisfactory

Must Be

DEFENSE CONTRACT MANAGEMENT COMMAND

Living Surveillance Plan

Developing Management Tool for One Book

6

Maximizing Alternate Tools

XXI

77% Contractors Satisfactory

11% Authorized Used 2%

CoC

ARP

CSO

Developing Management Tool

&

Collecting of Data for Metric

Need to Increase Use

Working With the Customer

XXI

Left Panel

- ✍ **18% - Had GSI at Distributors/Retailers**

- ✍ **DCMC Data not used by Customer to Adjust/Determine GSI**

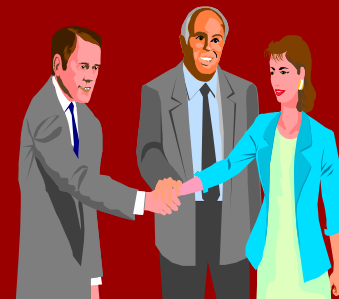- ✍ **76% of FMS 2nd QTR Buys were for Non Technical Reasons**

- ✍ **GSI used as Remedy for Payment Issues**

Right Panel

Leveraging With our Customer

Proposing FAR Changes

Will be Briefing Customer

DLSC New $250 Evaluation Factor

What ODOs?

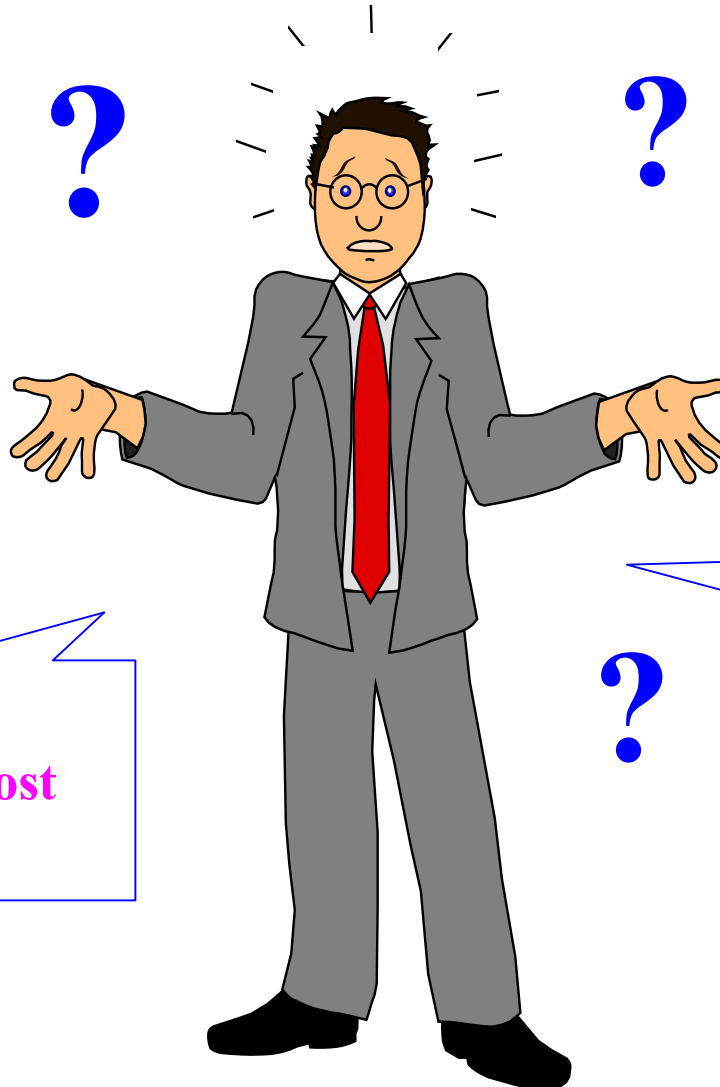**Manual MOCAS Input**

? **?**

Manual Closing

?

?

Have to Spend So Much Time Inputting

Increased Cost

What is the True Story

9

What's The True Story on ODOs?

Manual MOCAS Input

Manual Closing

5-10 Minutes

to Input

10-20 Minutes

to Close

Help is on the way

Maybe

Some

< 50% were ODOs

Increased Cost

Have to Spend So Much Time Inputting

What Will We Do on ODOs?

XXI

ODOs Fast Pay

STOP

Inputting

ODOs I/A Destination

Inputting

Total DLA ODO = 143K
I/A Source = 132K
I/A Destination = 5.7K
Fast Pay = 5K

Reduce –
Input/close out Time
Improve Delivery Metric

Next Steps

Work With Customers

Complete Management Tool

Issue Tasking Memo

Meet with DDP on FMS Issue

Work With DFAS

Issue Small $$ Report

Found:

Some Problems will Fix/Work

Tools Available - Need to use

Needs Management Attention - All Levels